

Board of Selectmen Workshop  
February 27, 2014

A Rockport Board of Selectmen Workshop meeting was held on Thursday, February 27, 2014 at 4pm, present were five selectpersons (Selectperson Murphy arrived late), the Town Administrator, the Asst. to the Town administrator and the Finance Committee.

List of Fees: The Town Administrator said either the town or the statute sets the limit, the Treasurer would like to raise the demand payment from \$5 to \$15 and the municipal lien certificates from \$25 to \$50; the Harbormasters would like to raise the mooring fees.

Chairperson Battistelli said there aren't that many of these fees issued on an annual basis; the amount generated from the increases isn't very substantial and may not be worth the negative impact on the residents, yet some of the fees haven't been increased for years. She recommended that the board members review these fees and get back to the Town Administrator with any changes they'd like to see. Those fees that already have recommended increases could move forward more quickly and the board can discuss them over the next two weeks.

W. Hess said the Finance Committee isn't finished with their budget review; they haven't voted on any items. He said they reorganized how they would recommend organizing the school department budget because it can be confusing. The budget that was sent to the Finance Committee was \$26.2. They reviewed all the trust funds and reviewed how they are used, how funds are moved in and out and are they at the appropriate level. They reviewed borrowing and debt service and any increased debt. A subgroup has been meeting with some school committee and board of selectmen members to examine the potential for establishing a sustainable school budget without periodic overrides. A review of the line items will take place tonight; \$25.7 is the new tentative budget with some changes made.

No significant changes are recommended for the Enterprise funds; \$526,000 in changes are considered for the fund accounts.

Selectperson Murphy arrived.

Article 6 should be looked at and how the town can absorb additional debt service. If we make any changes to the fund accounts, those changes will be one-time and can't be made again.

Revenue enhancements are: 1) drawdowns on those fund accounts, 2) changes in rates.

Data from the two prior years and recommendations will be in the book.

- Economic Development Committee: L. Razdan said a reduction in funding is better than no funding. They certainly understand the need to make budget cuts and the Committee will work within the budget.
- Town Accountant: a reduction of \$10,000 is in the budget for a person to replace the existing Town Accountant. M. Vieira said there are numerous communities currently recruiting for finance positions and Rockport's proposed salary amount is in the range.
- IS&T: the telephone landline expenses are being shifted to IS&T.
- Town Clerk, \$2,000 recommended for classes
- Bonus pool went from \$25,000 in FY '13 to \$35,000 last year; the Town Administrator said this is due to an increase in the headcount.

- Police Officers, level funding with FY '13, the contract expired last June and no new contract is in place. One new full time officer is in this budget and some longevity issues will increase costs.
- Forest fire, went from \$3,140 to \$404 (this reduction is due to transfers).
- \$60,000 for Veteran's cost, this is an estimate
- Sick leave buyback, estimate of retiring individuals; \$89,000 is a reasonable amount

This draft, article 5, town department summary is just the operation of the town; excludes the school department. The school section lists revenues, \$9,190,000 revenue from town, three other types of funding that comes to Rockport transferred to school, Chapter 70 (state assistance) doesn't need to go to the schools but for FY '15 it will. School choice when a Rockport student goes to another community will be charged to the school, not the town. Look at what public education is costing the town, health insurance, pension and benefits. \$13,431,000 is what it is costing the town, maybe put a note explaining this in greater detail.

Article 6: not recommending solar powered, computers and furnace for library are not in budget. If they can't defer the furnace they will speak to the library trustees. Proposed borrowing needs to be reviewed (\$877,000) and \$2.4 Article in STM for seawall repairs, etc. If all of those were approved it would be over \$3M in new debt. \$50,000 plus \$68,000 for road repairs for DPW. \$25M in the 90's was debt service because of school borrowings, building study plan, etc. For years we worked to get it down, then in 2003 and 2004 (police station) it began to climb again. 7% of operation budget in debt service; that is in the top 50% of cities/towns, it's been trending upward. If we convert the temporary debt to permanent borrowing the debt service would fall off. If we authorize \$3M in new debt, we'll be at a concerning level. The Town Administrator said she is looking at if a project hasn't started but was approved at a prior town meeting, let's look at that. We are waiting for reimbursement from FEMA (75%) on several projects. What the consequences would be of not moving forward with these capital projects was discussed.

F. Hassler said we currently have \$4.3M in temporary debt to be rolled over 1-1/2% short term to 4-1/2% interest, this is \$600,000 greater.

School, what amount will the override be? Potentially the override amount could be \$300,000 says R. Liebow, more than the \$10.5. It may fit in the unspent tax levy, if it does we don't need an override.

Special Education stabilization account is an article on town meeting.

A list of funds was distributed for review. The booklet needs to go to press by 3/17/14. The next Board of Selectmen meeting is 3/11/14.

Funds:

- debt service transfer community house
- Enterprise funds
- Parking meter fund – wide variety of approved uses
- Ambulance funds
- Water ways
- Insurance trust \$471,000, proposing taking \$269,000
- Library fund
- Comcast

The Town Administrator said the town could lose the bond rating.